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Attorneys for Plaintiff Red Pine Point LLC

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

Red Pine Point LLC,

Plaintiff,

v.

VUDU, Inc. and Magnolia Pictures LLC,

Defendants.

Case No.

Complaint for Patent Infringement

Plaintiff Red Pine Point LLC (“Red Pine”), by its undersigned attorneys, for its
Complaint against Defendant VUDU, Inc. (“VUDU” or “Defendant”) and Magnolia Pictures
LLC (“Magnolia” or “Defendant”), states as follows:

NATURE OF THE ACTION

1. This is a patent-infringement action by Red Pine against VUDU, an online
retailer, and Magnolia, a movie distributor. As detailed below, Red Pine has been harmed by
VUDU’s and Magnolia’s unlawful use of Red Pine’s patents for commercial purposes.

1 Magnolia's headquarters are located in New York, New York. Among other things, Magnolia
2 distributes movies throughout the United States by allowing consumers to purchase and
3 view movies before the movies are released in theaters.

4
5 **FACTUAL BACKGROUND**

6 8. Red Pine owns United States Patent 8,521,601 (the "'601 patent").

7 9. The field of the invention of the '601 patent is movie distribution. Movies have
8 historically been distributed by leveraging the period of time when the public may only
9 view the movie in a theatre. Thus, the movie distributor risked substantial capital to
10 promote the movie, maximize box office sales, and prolong the exclusive period during
11 which the movie was only available for viewing in the theater.

12 10. This historic method of movie distribution posed a number of challenges and
13 missed opportunities. For example, promoting a movie in order to drive box office sales is
14 expensive and time-consuming. In addition, and obviously, not all movies have the same
15 potential at the box office. The target audience of *Europa Report* is not the same as the
16 target audience of *Avatar* or *Titanic*.

17 11. The '601 invention provides a solution. By segmenting the movie distribution market
18 and determining which movies' potential at the box office does not warrant the same
19 promotional effort, companies may distribute movies like *Europa Report* to hand-held
20 devices before *Europa Report* is publicly available for viewing in theaters or on DVD.

21
22 **CLAIM ALLEGED**

23
24 *Count 1: Direct Infringement Against VUDU*

25 12. Red Pine repeats the allegations of paragraphs 1 through 11 of this Complaint
26 as though fully alleged herein.

27 13. Red Pine is the exclusive owner of the '601 patent, which is attached as

1 Exhibit 1.

2 14. The '601 patent is valid and enforceable.

3 15. VUDU directly infringes claims of the '601 patent. VUDU makes, uses, sells,
4 and offers for sale products, methods, and services that practice claims 1 and 4 of the '601
5 patent.
6

7 16. For example, and without limiting the '601 patent claims that will be asserted
8 in this action or the VUDU services accused of infringing the '601 patent claims, the
9 distribution of *Europa Report* infringes claim 1 of the '601 patent.

10 17. Claim 1 is a method of displaying "an advertisement to purchase a feature
11 length film (FLM) before the FLM is publicly available to view in movie theaters and before
12 the FLM is publicly available to buy on digital video disks (DVDs)" VUDU advertised
13 *Europa Report* for purchase before the movie was publicly available to view in movie
14 theaters and before the movie was publicly available to buy on DVD.
15

16 18. The method of claim 1 involves displaying a movie trailer for the FLM. VUDU
17 displayed a movie trailer for *Europa Report*.
18

19 19. When practicing claim 1, you sell the FLM for purchase with "handheld
20 portable electronic devices (HPEDs) before the FLM is publicly available to view in the
21 movie theaters and before the FLM is publicly available to buy on the DVDs." VUDU sold
22 *Europa Report* for purchase before *Europa Report* was in the theaters and before *Europa*
23 *Report* was publicly available on DVD.

24 20. The claim 1 method involves wirelessly transmitting and downloading of the
25 FLM. VUDU did this with respect to sales and rentals of *Europa Report*. These sales and
26 rentals were also "downloaded to the HPEDs such that the FLM plays on the HPEDs at times
27 decided by the individuals viewing the FLM with the times being before the FLM is publicly
28

1 available to view in the movie theaters and before the FLM is publicly available to buy on
2 the DVDs”

3 21. VUDU practiced the remaining steps of claim 1 because *Europa Report* was
4 distributed to movie theaters and is greater than sixty minutes long.
5

6 *Count 2: Infringement by Inducement Against Magnolia*

7 22. Magnolia has knowledge of ‘601 patent and nonetheless actively induces
8 VUDU to directly infringe the ‘601 patent.

9 23. Magnolia’s knowledge of the ‘601 patent is based on, among other things, Red
10 Pine notifying Magnolia of the ‘601 patent no later than February 11, 2014 and specifically
11 describing how Magnolia’s distribution infringed the ‘601 patent. Notwithstanding this
12 knowledge, Magnolia specifically intends that VUDU infringe the ‘601 patent and Magnolia
13 knows that VUDU’s acts constitute infringement.
14

15 24. Magnolia has a contractual relationship with VUDU. According to this
16 relationship, VUDU is directly infringing claims of the ‘601 patent. Magnolia induces each of
17 these infringements.
18

19 **JURY DEMAND**

20 Pursuant to Federal Rule of Civil Procedure 38(b), Plaintiff demands a trial by jury of
21 all claims in this Complaint so triable.
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REQUEST FOR RELIEF

WHEREFORE, Red Pine prays for the following relief against VUDU and Magnolia:

(A) Judgment that VUDU has directly infringed claims of the '601 patent claims;

(B) Judgment that Magnolia has induced the direct infringement of the '601 patent claims.

(C) For a reasonable royalty;

(D) For pre-judgment interest and post-judgment interest at the maximum rate allowed by law; and

(E) For such other and further relief as the Court may deem just and proper.

Date: October 27, 2014

Respectfully submitted,

/s/ Todd C. Atkins

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